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Transmittal Memorandum

June 12, 2018

TO: Capital Development Committee

FROM: Kori Donaldson, Principal Research Analyst, 303-866-4976

SUBJECT: FY 2018-19 BEST Lease-Purchase Submission

Summary

Please find attached a submittal describing the FY 2018-19 school capital construction projects recommended for funding, in part, through the issuance of certificates of participation (COPs) issued under the Building Excellent Schools Today (BEST) program. The recommendation is made to the Capital Development Committee (CDC) by the Colorado State Board of Education. New COP issuances under the BEST program require prior legislative authorization from the Capital Development Committee.

The submittal includes:

- A report prepared by the Division of Capital Construction within the Colorado Department of Education describing the BEST program, the methodology used to select projects for funding, the review process, and summaries of the prioritized projects. The role of the CDC in the review and approval process is described on page 4 of the report.
- A map illustrating the location of the prioritized projects.

Committee action required. Approve the FY 2018-19 list of BEST projects authorized by the State Board of Education to receive financial assistance through a future COP issuance.



COLORADO
Department of Education

Prioritized FY2018-19 Recommended BEST Lease- Purchase Grants

Submitted to:
Capital Development Committee

By:
Andy Stine On behalf of: Colorado State Board of Education

June 18, 2018

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Executive Summary

Pursuant to Article 22-43.7 C.R.S., the BEST Act, financial assistance is provided from the public school capital construction assistance fund (assistance fund) to school districts, charter schools, institute charter schools, BOCES, and the Colorado School for the Deaf and Blind to assist with the construction of new public schools and the renovation of existing public schools.

The source of funding for the assistance fund is revenues from the State Land Trust, lottery proceeds, marijuana excise tax, matching grant funds, and interest on monies in the assistance fund.

The BEST Act also established the Public School Capital Construction Assistance Board (CCAB). The CCAB accepted 52 applications for BEST funding on February 23, 2018. The total grant amount requested was approximately \$529million, with \$353 million in matching funds, for a total of \$882million in total project costs. On May 16th, 17th and 18th, the CCAB reviewed grant applications at days-long public meeting where applicants were able to present projects to the CCAB and answer any questions. Board members finalized scores after presentations.

Pursuant to Section 22-43.7-109(7) C.R.S. the CCAB presented a prioritized list of projects to be approved by the State Board of Education to receive financial assistance. The State Board of Education met on June 14, 2018 and approved the list of projects included in this report on page 6. Thorough review was given to every application by division staff and the CCAB.

The following is a link to a summary of the grant applications received on February 23, 2018:

<https://www.cde.state.co.us/cdefinance/fy2018-19grantappsummarybook>. A hard copy of the summary is available upon request.

Standard of Review for the Capital Construction Assistance Board

The CCAB, taking into consideration the financial assistance priority assessment, in conformance with statute, has prioritized applications for public school facility capital construction projects based on the following criteria, in descending order of importance and pursuant to Section 22-43.7-109(5) C.R.S.:

1. Projects that will address safety hazards or health concerns at existing public school facilities, including concerns relating to public school facility security and projects designed to incorporate technology into the education environment. In prioritizing an application for a public school facility renovation project that will address safety hazards or health concerns, the CCAB shall consider the condition of the entire public school facility for which the project is proposed and determine whether it would be more fiscally prudent to replace the entire facility than to provide financial assistance for the renovation project;
2. Projects that will relieve overcrowding in public school facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities;
3. All other projects.

Standard of Review for the State Board of Education

Generally, the State Board may approve, disapprove or modify the provision of financial assistance for any project recommended by the CCAB, but may only disapprove or modify if the State Board concludes that the CCAB misinterpreted the results of the prioritization assessment conducted pursuant to Section 22-43.7-108 C.R.S. or misapplied the prioritization criteria specified in Section 22-43.7-109(5) C.R.S. The CCAB is required to



submit the list of recommended projects to the State Board no later than June 20 of each year for approval, disapproval or modification. Then the State Board must submit to the Capital Development Committee of the General Assembly a prioritized list that includes only those projects for which the State Board is recommending awards of financial assistance that involves lease-purchase agreements.

Pursuant to Section 22-43.7-109(7)(a), the prioritized list of projects for which the State Board recommends financial assistance shall include the State Board's recommendation as to:

1. The amount of financial assistance;
2. The type of financial assistance to be provided. In this case the projects are recommended for BEST lease-purchase grants using new lease-purchase or previously financed moneys;
3. The amount of applicant matching moneys for each recommended project based upon information provided by the applicant;
4. The source of matching moneys for each recommended project based upon information provided by the applicant.

The CCAB may recommend back-up projects for financial assistance if another higher priority project or group of projects becomes ineligible for financial assistance. This would be due to the inability of an applicant to raise required matching moneys by a deadline prescribed by the Assistance Board as a condition of their financial assistance award.

Standard of Review for the Capital Development Committee

No later than June 25 of each year, the State Board shall submit to the Capital Development Committee a revised prioritized list that includes only those projects for which the State Board is recommending awards of financial assistance that involve lease-purchase agreements. The State Board shall submit with the list the information regarding the details of the financing of the listed projects that the CCAB submitted to the State Board. No later than July 15 of each year, the Capital Development Committee may approve the list or may disapprove the list if the committee concludes that the inclusion of one or more of the projects on the list will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all of the projects on the list. If the Capital Development Committee does not approve or disapprove the list by July 15, it is deemed to have approved the list as submitted.

If the Capital Development Committee disapproves the revised prioritized list, it shall provide its reasons for doing so in writing to the CCAB no later than July 20. No later than August 1, the CCAB may resubmit the list with modifications or additional information, or both, that address the committee's concerns. No later than August 15, the Capital Development Committee may approve the entire resubmitted list or may disapprove one or more projects on the resubmitted list if the committee again concludes that the inclusion of the project or projects will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all of the projects on the list. If the Capital Development Committee disapproves a project on the resubmitted list, the project shall not receive financial assistance that involves lease-purchase agreements, and the remaining projects on the resubmitted list shall receive such financial assistance as recommended by the State Board. If the Capital Development Committee does not approve or disapprove the resubmitted list by August 15, it is deemed to have approved the list as resubmitted.

Conclusion

The State Board of Education is submitting to the Capital Development Committee the following prioritized list and description of eight projects for lease-purchase financing, with three projects as back-up projects if a higher



Prioritized FY2018-19 Recommended BEST Lease-Purchase Grants5

prioritized project becomes ineligible for financial assistance due to the inability of raising their required matching moneys. The State Board met on June 14, 2018 and pursuant to Section 22-43.7-109(7)(a) C.R.S., approved the Capital Construction Assistance Board's grant recommendations.

The following is submitted for Capital Development Committee approval at their June 18, 2018 meeting.



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List of Prioritized FY2018-19 BEST Lease-Purchase Grants

BEST FY1819 Project Information "Final Prioritized Order"				
Applicant Name	Project Title	BEST Grant	Applicant Contribution	Total Project Cost
BUENA VISTA R-31	BVHS/MS Renovation & Replacement	\$ 21,362,125.68	\$ 29,500,078.32	\$ 50,862,204.00
CANON CITY RE-1	WES Replacement	\$ 16,433,433.56	\$ 6,199,032.44	\$ 22,632,466.00
KIT CARSON R-1*	New PK-12 School	\$ 24,311,578.59	\$ 8,048,783.60	\$ 32,360,362.19
HAYDEN RE-1	JrSr HS Replacement and ES Renovation	\$ 38,879,497.00	\$ 22,296,400.00	\$ 61,175,897.00
ADAMS COUNTY 14	Alsup ES Replacement	\$ 19,650,133.78	\$ 14,229,407.22	\$ 33,879,541.00
SWALLOWS CHARTER ACADEMY	Modular Replacement	\$ 19,680,496.15	\$ 411,894.00	\$ 20,092,390.15
MANZANOLA 3J	PK-12 Addition and Remodel	\$ 30,747,768.00	\$ 2,018,153.00	\$ 32,765,921.00
WRAY RD-2	PK-12 Addition/Renovation	\$ 18,974,060.46	\$ 15,524,231.29	\$ 34,498,291.75
	Total	\$ 298,445,939.50	\$ 164,250,632.90	\$462,696,572.40
Backup Projects				
MAPLETON 1	Global Intermediate Academy 4-8 School Replacement	\$ 10,920,379.77	\$ 8,238,181.23	\$ 19,158,561.00
TRINIDAD 1*	Trinidad Middle School Renovation	\$ 8,439,045.12	\$ 4,746,962.88	\$ 13,186,008.00
GLOBAL VILLAGE ACADEMY - NORTH	K-8 School Replacement	\$ 18,643,060.70	\$ 15,253,413.30	\$ 33,896,474.00
	Total	\$ 38,002,485.59	\$ 28,238,557.41	\$ 66,241,043.00
*Bond Dependent Projects				



Summaries of the Prioritized FY2018-19 BEST Lease-Purchase Grants

Buena Vista R-31 / BVHS/MS Renovation & Replacement

This project addresses health and safety by replacing the main Buena Vista High School/Middle School and by renovating the high school athletic facility. A majority of the main facility systems are past their life expectancy and have failed. Plumbing systems require destructive demolition to access, the roof structure is at or beyond capacity to hold replacement systems, and a lack of proper site drainage has impacted the viability of the structure. Security systems are inadequate as well. This project will enhance student achievement by correcting site drainage and replacing the main facility on the same campus; it will include the renovation of the high school athletic facility to upgrade systems and connect to the new building. The new facility will be built in phases so as not to disturb or displace students during construction. The project will be designed to achieve the highest performance certification possible through LEED (Gold) or CHPS (Verified Leader).

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$21,362,125.68; District Contribution \$29,500,078.32 or 58%, with the source of match coming from the district's bond election which passed in 2017.

Canon City Re-1 / Washington ES Replacement

This project addresses health and safety by replacing the elementary school. The facility has numerous system deficiencies which require replacement. The structure of the facility is failing due to an overloaded roof. Glass block tiles have cracked and begun to fail, and lintels and steel channel mullions are overstressed. This project will enhance student achievement by building a new facility which will meet the needs of a 21st Century learning environment. The facility will be built on the northeast corner of the campus and will not disrupt or displace students during construction. It will be designed to meet high performance certification and will aim for either LEED or CHPS.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$16,433,433.56; District Contribution \$6,199,032.44 or 27.39%, with the source of match coming from the district's bond election which passed in 2017.

Kit Carson R-1 / New PK-12 School

This project addresses health and safety by replacing a deteriorated PK-12 school facility. The existing facility has a variety of deficiencies, including a leaking foam roof with asbestos containing ceiling tiles underneath, a failing sewer system with areas of broken and collapsed lines, poor indoor air quality, inadequate and inaccessible electrical distribution, water infiltration from poor site drainage, as well as numerous educational suitability deficiencies. This project will enhance student achievement by replacing the school facility on the same site. The project will target LEED Gold or CHPS Verified Leader certification.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$24,311,578.59; District Contribution \$8,048,783.60 or 24.872%, with the source of match coming from a November 2018 Bond Election.

Hayden RE-1 / Junior-Senior HS Replacement and ES Renovation

This project addresses health, safety, and technology by relocating the junior-senior high school to the same campus as the elementary school and renovating that existing school to accommodate current educational requirements. This new school will provide for all class levels in one place. The current junior-senior high school building is in poor shape, located along a highway that has resulted in cars running into the building, suffered



structural damage from snow loads, and has layouts that no longer support current educational and school-safety guidelines. This project will enhance student achievement colocation, maximizing the potential for integrated learning. The new facility will be designed to current educational and energy-code standards. The district anticipates lowering their operating costs by having just one campus to maintain versus two with a reduction in redundant staffing, utilities, and building and grounds maintenance.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$38,879,497.00; District Contribution \$22,296,400.00 or 36.446%, with the source of match coming from the district's 2017 bond election proceeds fund.

Adams City 14 / Alsup ES Replacement

This project addresses health, safety, and technology by replacing an existing 1959 elementary school with deficient systems, safety concerns, and layout that does not lend itself to current educational standards. This project will enhance student achievement by providing a new facility that will address student safety thru site access and a building security plan, provide for safe and code compliant building systems and incorporating current and planned future instructional technology. The project will pursue high performance design for energy efficiency.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$19,650,133.78; District Contribution \$14,229,407.22 or 42%, with the source of match coming from the district's capital reserve fund, unassigned fund balance and a Certificate of Participation the district will obtain.

Swallows Charter Academy / Modular Replacement

This project addresses health and safety by replacing an array of existing modular buildings which house grades three through twelve. The 20 year old modulares were installed in 2008 and intended to be temporary. They have indoor air quality issues, leaking roofs, and mechanical systems that do not adequately heat and cool. Detached modulares create a safety concern as the school is located adjacent to a retail facility and students move across the site. This project will enhance student achievement by providing a safe and secure, energy efficient building with daylighting, and a technology infrastructure that will provide for current educational opportunities. The project will be designed to current codes and consider high performance design.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$19,680,496.15; Charter Contribution \$411,894.00 or 2.05%, with the source of match coming from the charter's general fund, capital reserve fund, Swallows Charter Academy Educational Foundation and Swallows Charter Academy COLOTrust fund.

Manzanola 3J / PK-12 Addition and Remodel

This project addresses health, safety, and technology by replacing deficient mechanical/ electrical and plumbing systems and by eliminating numerous detached classroom buildings. Currently students travel between differing buildings located numerous blocks away. This project will enhance student achievement by providing one building that will address all educational opportunities. It will provide code compliant buildings systems, a secured access point and updated technology that will provide for educational opportunities now and into the future. The design will focus on energy efficiency and a building that the district will be able to operate and maintain.

This project is recommended for BEST Lease Purchase funding as follows:



Prioritized FY2018-19 Recommended BEST Lease-Purchase Grants9

Grant Amount \$30,747,768.00; District Contribution \$2,018,153.00 or 6.15930497%, with the source of match coming from the district's bond election November 2018.

Wray RD-2 / PK-12 Addition/Renovation

This project addresses health and safety, security, and technology deficiencies by replacing a deteriorating middle school and renovating an existing elementary and high school. The existing middle school facility has a variety of deficiencies, including structural settling, mold and water damage, poor indoor air quality, fire safety concerns, inadequate electrical distribution, and a state highway directly bordering the open school site. The existing elementary and high school campus has security and access control concerns, mechanical air quality and noise deficiencies, and site safety concerns. This project will enhance student achievement by renovating the elementary and high school, and constructing a middle school addition on that site, connecting the district as a single PK-12 campus. The project will target CHPS Verified Leader certification.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$18,974,060.46; District Contribution \$15,524,231.29 or 45.0%, with the source of match coming from a November 2018 Bond Election.



Summaries of the Prioritized FY2018-19 Potential BEST Lease-Purchase Back-up Grants

BACK-UP

Mapleton 1 / Global Intermediate Academy Four-Eight School Replacement

This project addresses health and safety by replacing an existing school facility. The district's educational model is small schools and this school will be a part of a PK-12 campus. Currently the PK-3 and 9-12 schools are under construction. The existing facility has many health and safety concerns including indoor air quality, thermal comfort, and security concerns—as the school is directly adjacent to a major road and there are numerous detached buildings. This project will enhance student achievement by constructing a new single facility with controlled access, building systems that will provide for thermal comfort of students, natural day lighting and a technology infrastructure that will provide the ability to incorporate technology. The building will be code compliant and consider high performance design.

This project is recommended for BEST Cash or Lease Purchase funding as follows:

Grant Amount \$10,920,379.77; District Contribution \$8,238,181.23 or 43%, with the source of match coming from the district's bond election in November 2106.

BACK-UP

Trinidad 1 / Trinidad MS Renovation

This project will address health and safety related to indoor air quality and carbon dioxide levels, lack of mechanical ventilation or cooling, and the lack of secured access to students and egress from the building. The project will enhance student achievement by replacing the existing mechanical system with appropriate heating and cooling. With the mechanical replacement there will be asbestos abatement required at existing piping. Additionally there will be window replacement as required to support the new mechanical system. The project will provide controlled access to students and will replace existing exterior doors and hardware to allow for code compliant egress.

The project will be code compliant, energy efficient and consider the age of the building and its significance to Trinidad's history.

This project is recommended for BEST Cash or Lease Purchase funding as follows:

Grant Amount \$8,439,045.12; District Contribution \$4,746,962.88 or 36%, with the source of match coming from a successful Mill Levy Override in the November 2018 election.

BACK-UP

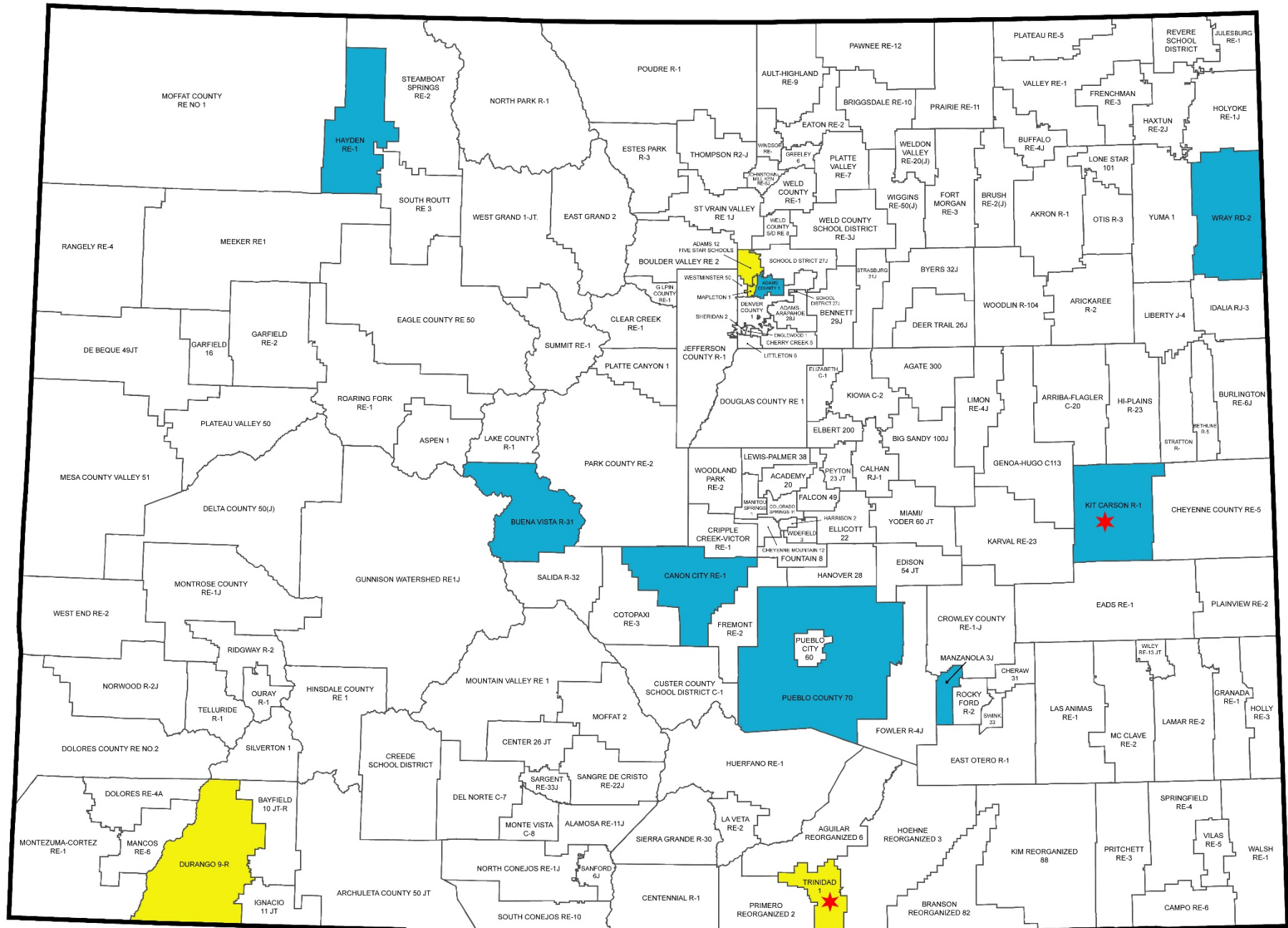
Global Village Academy - Northglenn / K-8 School Replacement

This project addresses health and safety by building a new facility to allow the school to move from their current lease-purchase facility that has structural deficiencies. The existing structure is shifting due to soil conditions causing the ceiling system to shift and tiles to fall. Cracking and gaps are occurring in walls that intersect other walls and the floor slab is heaving. This movement also impacts plumbing system and underground utilities. This project will enhance student achievement by providing a healthy and safe environment with no structural concerns. The new building will be designed to current codes, be energy efficient and high performance design will be considered.

This project is recommended for BEST Lease Purchase funding as follows:

Grant Amount \$18,643,060.70; Charter Contribution \$15,253,413.30 or 45%, with the source of match coming from a Certificate of Participation or issuance of a private activity bond.

FY 2018-19 BEST Lease-Purchase Projects



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Awarded Projects

Backup Projects

Bond Dependent Projects